#### WRITTEN TESTIMONY OF



# JOHN DEMELL PRESIDENT FIRSTLINE TRANSPORTATION SECURITY, INC.

#### **BEFORE THE**

# COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE SUBCOMMITTEE ON AVIATION U.S. HOUSE OF REPRESENTATIVES

RESULTS OF THE AIRPORT SCREENER PRIVATIZATION PILOT PROGRAM (PP5)

**APRIL 22, 2004** 



Chairman Mica, Ranking Member DeFazio, and Members of the Subcommittee, thank you for the opportunity to assist the Subcommittee's important review and assessment of the Airport Screener Privatization Pilot Program ("PP5").

#### Overview

Since November 2002, FirstLine Transportation Security, Inc. ("FirstLine") and our nearly 700 professional employees have provided pre-departure passenger and baggage screening services for the Transportation Security Administration ("TSA") and the traveling public at Kansas City International Airport ("KCI"). On a site visit last fall, then-TSA Administrator Adm. James Loy stated that the FirstLine-TSA KCI screening partnership is going "very, very well."

FirstLine is a subsidiary of SMS Holdings Corporation ("SMS"), a U.S. privately-owned company with a sixteen year history of providing security, aviation, and facility maintenance services across the Nation. In April 2002, SMS acquired the management team and certain assets (excluding pre-board screening contracts) of International Total Services, Inc. ("ITS"), a company that for over twenty years had provided passenger screening and airline services across the U.S.

The SMS family of companies also includes Valor Security Services, with employees protecting over 160 enclosed shopping malls in 32 states; Service Management Systems, a leading provider of facility services management to multi-use facilities in 32 states; and PrimeFlight Aviation Services, whose 4,000 employees provide airside and landside services in 60 airports nationwide.

Under the Aviation and Transportation Security Act ("ATSA"), TSA assumed responsibility for pre-board screening of passengers and luggage at all U.S. airports. In addition, as required by Congress, TSA implemented a pilot program using private contract screeners in lieu of federal screeners at five commercial airports (Kansas City, MO; San Francisco, CA; Rochester, NY; Tupelo, MS; and Jackson Hole, WY) to determine the feasibility of using private screening companies in concert with federal oversight. The five selected airports represent a facility in each airport category.

Under the pilot program, which has come to be known as the "PP5 program," private screening contractors must meet the same overall hiring, training, and security requirements as those locations employing federal screeners. The employees of the PP5 contractors receive training from TSA and work closely with TSA site managers to ensure that security measures are consistent with TSA's procedures. In addition, private screeners receive enhanced professional training from the private entities, such as FirstLine. It is a partnership in which we share TSA's mission to protect the Nation's transportation systems. It is a partnership geared towards a "win-win" result, and it is a partnership in which we are proud to play an important role.



Now in its second year, TSA's PP5 program ideally should provide valuable data and insight to Congress, TSA, and airport operators on the feasibility and complementary effectiveness of using private screening firms under federal government oversight and with strict adherence to the federal airport security guidelines.

Today, FirstLine is very pleased to provide the Subcommittee with our perspective on the shift from the pre-9/11 screening model, our experience as one of the PP5 private sector contractors, the advantages that have resulted from the hybrid approach of using private airport screeners in partnership with TSA, and the opportunities that still remain unrealized.

To maximize the benefits of the pilot program:

- ➤ Private screening contractors and TSA must maintain a seamless, cooperative, and mission-sensitive partnership.
- ➤ TSA must continue to provide overall supervision and accountability for aviation security policies and procedures, including control over safety standards and hiring practices. This requires high caliber airport screeners paid at federally determined minimum compensation levels.
- ➤ However, while working within these parameters, private screening contractors at the pilot sites must not be required to identically mirror every procedure used at airport locations employing federal screeners, simply for the sake of "sameness."
- ➤ Rather, as Congress intended, the pilot project should truly serve as a test of the private sector airport security screening concept by giving private screening contractors sufficient flexibility to implement private sector innovations and creativity, which could lead to higher passenger security at the most efficient cost to the taxpayer.

#### The Pre-9/11 World

The deeply tragic events of September 11, 2001, forever changed passenger screening operations. To better understand how far we have come during the past two years, it is essential to recall how the pre-9/11 screening process worked and the safety disincentives that were created by a least-cost contracting dynamic.

Under the old system, private screening companies aggressively competed to secure contract awards from each airline carrier. Security was treated just like any other airline contractor commodity, with the winning bid usually being the lowest price. Since most of the security screening costs reside in labor expenses, these low-bid awards yielded a minimum wage work environment and atmosphere. In addition, the selection of



equipment used at checkpoints reflected budgetary caution rather than safety concerns, and was often as much as twenty years old.

Passenger throughput needs often overrode sound safety decisions. Complicated by the airlines' financial responsibility, the government failed to sufficiently oversee checkpoint passenger screening, and the Federal Aviation Administration's ("FAA") training program lacked content and breadth. In short, the cross-purposes and financial incentives clearly tilted toward making checkpoint passenger screening just another line item to be constantly squeezed in an already financially-challenged industry.

As airline contractors in the pre-9/11 world, private screening companies assumed a broad array of responsibilities. These included worker recruitment, background checks, drug testing, and hiring; maintenance of all personnel files; and initial classroom, on-the-job, and recurrent training. Screening companies were contractually responsible to the airlines for any performance failures, which could include failing an FAA test or any other performance failure resulting in a breach of protocol, policy, or procedure. Failure to meet guideline standards in any area of responsibility could result in significant fines.

Of course, all of this changed after 9/11 with passage of the Act. While under contract to the government and during the interim twelve month period before complete federalization of airport screening, members of the current FirstLine management team were responsible for the operation of and ultimate transition to TSA of checkpoint security screening at over 100 airports with over 12,000 screeners.

#### The Shift to the PP5 Program: FirstLine's Early Experience

From its inception, the PP5 program has not been without its systemic challenges. Faced with a daunting mandate to immediately assume nationwide security for the U.S. passenger air transport system while also creating a corresponding private sector partnership, the PP5 became TSA's second-tier priority. While much has changed, the lack of early attention by TSA for its "orphan child" created barriers that have not been easily overcome, and diluted many of the advantages that could have been more readily embraced with greater clarity and priority in the PP5's early days.

On October 8, 2002, TSA awarded FirstLine a PP5 program contract that initially called for 511 full-time employees to provide passenger screening at KCI. Although not a part of the original RFP, we were later requested to take on responsibilities for checked baggage screening, which we successfully accomplished in order to meet the December 31, 2002 mandated deadline. The new (continually adjusted) number grew to over 700. Presently, our approved "right sized" employee level is 683 employees.



In order to meet our personnel requirements, we recruited over 5,000 potential applicants through various recruitment methods. These included print and radio announcements (including placements with minority-oriented publications and stations), as well as the efforts of a professional recruitment firm, Job Plex. From this applicant pool, 3,494 candidates successfully completed our corporate pre-screen process, meaning that we might consider each individual for employment provided he or she successfully completed TSA's assessment and qualification process.

After our pre-screen, each candidate was referred to TSA's "Quick Screen" application process conducted under contract by NCS Pearson. Of the original 3,494 candidates, 2,337 cleared the Quick Screen process and began "Phase I" of the TSA assessment process. Following Phase I assessment, this pool shrunk to 1,318 individuals who qualified for "Phase II" assessment.

At the end of this NCS Pearson process, 1,021 applicants were eligible for referral to TSA training conducted under contract by Lockheed Martin. From this assessment-qualified pool, 647 of the original 5,000 applicants were selected for referral to Lockheed Martin for training. Only 582 of these candidates completed all required training and, accordingly, became eligible to be hired for screening positions.

It is important to note that, at no time did TSA, NCS Pearson, or Lockheed Martin permit PP5 contractor access to either the assessment or training process. We did not know why certain individuals cleared or did not clear the assessment or training procedures. We were specifically prohibited from shaping or gaining any insight into the parameters under which our soon-to-be employees had been qualified.

On November 19, 2002, just over a month after the contract award and only several days before the Thanksgiving holiday traffic, FirstLine assumed control for meeting the staffing requirements for checkpoint screening at KCI. In addition, despite the unexpected post-contract change in staffing requirements to accommodate checked baggage screening, I am also proud that our personnel fully met this additional mandate of December 31, 2002.

## **The Assessment and Training Process**

The initial assessment and training process failed to produce the required number of qualified applicants. Recall that the number of required screeners had increased beyond the original 511 requested due to the baggage screening requirement added to the contract after the award date. However, once NCS Pearson, TSA's assessment contractor, met the initial head count and/or time frame demands of its contract with TSA, it simply closed up shop and moved on to another location.



From the outset, because of this system breakdown, we never had the "required" number of trained screeners to meet the initial head count demand. Of equal importance, there existed no "ready pool" of applicants available to satisfy both anticipated and unanticipated employee attrition.

The absence of ongoing or as-needed assessment and training, coupled with a mandated cross-training requirement that effectively took an average of twenty screeners per week off the lines for seven weeks in advance of the busy summer travel season, resulted in an inability for FirstLine to replenish our screener ranks to meet the demand. On May 23, 2003, the Federal Security Director elected to bring in the Mobile Screening Force, a group of federal screening employees gleaned from excess staffing at several airports, to assist in filling the gap.

However, our key staffing issues remained unaddressed for eight months -- from November 2002 to July 2003 -- during which time TSA's contractors did not institute a repeat assessment and training process for FirstLine and Kansas City. Despite the frustrations that this situation caused, FirstLine and our local TSA partners rose to the challenge and were able to maintain high levels of operational integrity. At no time was security compromised. Not until Summer 2003 did we have the ability to recruit an additional pool of 1,763 applicants, of which 183 were certified, hired, and scheduled on the checkpoints, allowing for the Mobile Screening Force to be relieved of its responsibilities on July 29, 2003.

In short, FirstLine's ability to meet our obligations with TSA at full staffing levels could not be realized because the assessment and training contractors were limited -- by their own contractual arrangements -- to the number of individuals that could be assessed and/or trained.

It should be noted that a subsequent recruitment, assessment and training initiative, begun in January 2004, is now nearing completion. At its conclusion, FirstLine will have added approximately 133 fully certified, cross trained screeners to our staff.

Our processes and success in recruiting qualified individuals have been a source of pride for FirstLine in that not only have we fulfilled our part in the new hire process, but we have also been recognized locally for these efforts.



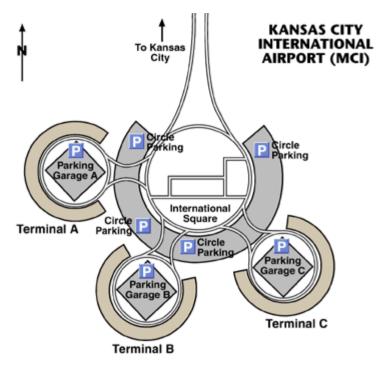
## FirstLine's KCI PP5 Responsibilities and Challenges

While it is difficult to overstate the impact that the assessment and training processes had on our first year as a PP5 contractor, it is far easier to articulate FirstLine's responsibilities in relation to our TSA client and KCI's Federal Security Director.

Specifically, FirstLine is responsible for managing the screener workforce with respect to all human resource-related functions. This includes the establishment of compensation schedules at TSA-approved levels; performing payroll-related activities; rewarding and disciplining for performance; hiring and firing; orchestrating shift bids; and scheduling. All of our KCI expenditures, including all compensation-related matters, are submitted on a monthly basis to TSA for review, approval, and payment under the terms of our contract.

In addition, FirstLine is responsible for all other areas not directly associated with security-related policy, procedure or process, which instead fall entirely within the domain of the Federal Security Director and TSA. As a result, we have a strong partnership at KCI, where TSA concentrates on directing and overseeing all security-related operational matters, while FirstLine fulfills the administrative and human resources component.

We are particularly proud of the work that our employees perform at KCI given the very unique facility issues presented by the airport's layout. For those of you who have not traveled to or through KCI, the airport is arranged in three horseshoe-shaped terminals, with the distance between a jetbridge entrance and the airport exterior entrance only a matter of a few dozen feet. It is possible to deplane and be outside meeting your ride within minutes.





This configuration currently requires 11 screening checkpoints and 6 baggage screening stations, exacerbating the need for balancing our workforce between checkpoints and baggage screening stations. In comparison, Hartsfield International Airport in Atlanta has 4 screening checkpoints.

Moreover, once a passenger clears security, another unique aspect of the airport layout that increases our employee's workload is the fact that access to restroom facilities, food and refreshments, and many other creature comforts or needs reside outside the secure area. Given passenger ingress and egress from the secure area, this creates the need to "double screen" many passengers.

Finally, to throw just one additional variable into the mix of our PP5 experience, KCI is presently undergoing a \$258 million renovation program. The work plan and construction progress have resulted in twenty-four temporary and permanent airline gate and ticket counter relocations, which, in turn have demanded concurrent operational and scheduling flexibility.

In the end, TSA is our client, and despite the process and facility challenges that have been thrust upon FirstLine, our constant goal has been to ensure that our job is accomplished to the exacting standards required of every checkpoint and baggage screening operation around the Nation.

We welcome the open dialogue and close working relationship that we have been able to develop with Richard Curasi, KCI's Federal Security Director, to ensure that the security responsibilities for KCI are collaboratively met. Director Curasi's central focus on our shared security mission, and his personal efforts to foster a true partnership environment between his TSA and our FirstLine teams at KCI, are critical to the success of this evolving public-private screening model.

#### PP5 Advantages and FirstLine Innovations and Enhancements

As FirstLine continues the second year of our public-private partnership, despite all of the challenges that we have faced as part of this TSA learning experiment, we are proud to be a key part of a passenger security system that is no longer treated as an airline-driven commodity. This fact alone significantly enhances the mission at hand.

Our service as a TSA contractor provides a "win-win" situation for both the government and responsible private sector innovators such as FirstLine. TSA has a core security mission to achieve, and FirstLine as its contractor is focused on going "above and beyond" that which is required to deliver results for TSA and the traveling public.



FirstLine fully supports TSA oversight and control of the safety and security of our Nation's airports. All private contractors must continue to be supervised and held accountable to high safety standards by TSA. The inherent potential conflict between costs and safety that existed in the pre-9/11 model is now eliminated and must remain so.

However, in addition to creating, maintaining, and protecting high safety standards enforced by TSA, today's post-9/11 hybrid model of airport passenger security screening also allows the PP5 contractors to leverage inherent, private sector advantages. This allows TSA to benefit from our flexible, timely solutions to employee concerns or employee performance discrepancies, and to benefit from our ability to quickly implement ever-evolving, industry best practices in workforce management. This post-9/11 screening model has also created an environment in which the PP5 contractors act as private sector laboratories that foster innovations that could be adopted TSA-wide.

FirstLine is proud of the managerial enhancements and innovations we have implemented at our KCI operation.

We have established several basic industry best practices, such as creating a General Operations Guide (GOG), which is available to TSA through secured Internet access. The GOG fully documents all programs and procedures for the entire FirstLine operation. We have also developed the Employee Handbook, which documents procedures and rules for required employer/employee behavior.

We have established an Operations Center, functional 24 hours a day/seven days a week, that tracks staffing levels (actual vs. scheduled) and appropriate screener deployment, and coordinates all major FirstLine communications to and from TSA and airport and airline officials. The Operations Center, as well as our current scheduling system, coupled with the protocols that guide and direct their operation, are some of the key reasons why we are able to respond effectively to operational situations and deploy the appropriate level of screener staff where and when they are needed. Our recent procurement of advanced new scheduling technology will further enhance scheduling efficiency and the resulting contributions to security and customer service.

We have also adopted hiring criteria that require all candidates to have a high school diploma or the equivalent -- a more stringent standard than TSA directives require. We have established and formalized an attendance and punctuality policy, which is coupled with a process of corrective actions and disciplinary programs. In keeping with our objective of continuous review and improvement, these programs are currently undergoing intensive review and will benefit from employee input. This includes effective input from our Employee Advisory Council (EAC), a group that provides an



official forum for our screening staff to have real input into the policy decisions we make that directly affect them.

We have developed a standardized employee review process to identify employee counseling needs and areas for improvement, as well as to measure and quantify our employees' successes and positive contributions. This evaluation is separate and different from the TSA-directed Annual Proficiency Review, which is more operational and procedural in nature. We have also implemented an outprocessing procedure for those who leave our employ for any reason, which includes an exit interview.

We have constantly reviewed our management staffing levels in order to become more efficient and have identified beneficial opportunities to reduce our frontline operational management complement from 13 to five. Overall, our screener workforce is led and supported by twenty-seven on-site management and administrative personnel. Our team successfully conducts the critical human resources and administrative functions, while TSA maintains the security-related operational and procedural direction and oversight. The specific responsibilities of the approximately forty local TSA staff at KCI are under the complete purview of TSA.

In order to create additional operational efficiencies, we have implemented several industry best practices and controls procedures over the acquisition of consumables and expendable purchases. These materials management programs have saved or avoided additional costs of over \$20,000 a year. We have established significant controls regarding our communications costs at a savings of over \$33,000 for the first two years of the contract.

These procedures, coupled with our additional inventory controls for expendables, reuseables, equipment and uniforms form a solid program to continuously monitor costs, control inventories, and demonstrate value for the PP5 program. Our success in this regard has prompted TSA to come to FirstLine and request that we handle additional procurement requirements, such as the acquisition of consumables for the electronic trace detection (ETD) security equipment.

Our comprehensive preventative maintenance program for security equipment, with established checks on a daily, weekly and monthly schedule, has been recognized as highly effective by TSA and Siemens, the equipment subcontractor, contributing to a significantly low requirement for non-routine maintenance.

We have instituted several processes to efficiently manage our payroll requirements, which in turn have resulted in extremely high levels of paycheck accuracy.



Our facilities, supporting office equipment, and furniture needs have been satisfied through pro-active cost-conscious efforts taking advantage of, to a great extent, the availability of used (yet functional) equipment and very favorable facilities leasing options.

Overall, we are confident that the private industry techniques that we have brought to the partnership have contributed tens of thousands of dollars in savings per year to the government and taxpayers.

We have built an impressive array of communications tools that convey vital information throughout the company, and help us remain in touch with, and responsive to, our employees' concerns. FirstLine's weekly newsletter, *Plane Talk*, includes news, features and regular contributions from our FSD at KCI. FirstLine also publishes an expanded quarterly newsletter, *One Team, One Mission* (copy attached), which serves a similar function. We have instituted a comprehensive bulletin system which communicates all procedural changes, and highlights information important to our employees and the tasks at hand. We have also established a suggestion plan and toll-free telephone number to solicit employee ideas.

We are especially proud of FirstLine's Tuition Assistance Program. Employees, after completing six months of employment, may seek reimbursement for classes taken at an accredited college/university. The classes do not have to be job related. The maximum reimbursement to an employee for tuition reimbursement, with benefits corresponding to company tenure is \$10,000.

We have established a wide array of employee recognition programs that commend our staff members for their accomplishments on a monthly, quarterly and annual basis. We have also taken opportunities at holidays or significant milestones, such as our first anniversary, to offer additional incentives and expressions of appreciation, including prize raffles and refreshments.

FirstLine makes a continuing, major commitment to training and evaluation. Screeners are cross-trained to perform as baggage screeners and passenger checkpoint screeners. All screeners must now successfully complete the training for both screening positions as a requirement for employment at FirstLine. Each screener also receives a minimum of three hours of continuation training each week. The cross-training, coupled with continuing training programs, further improves the efficiency of our staffing in order to meet routine as well as exceptional operational needs.

Employment Awareness Training (EAT) is provided for new employees, and includes customer service training, special training for customers with disabilities, and sexual harassment, HAZCOM and injury/illness prevention training. All new employees must also watch a news video entitled "Remembering 9/11," which reinforces the message of



"why we are here" and how we share TSA's mission, both of which are points we strive to inculcate on an ongoing basis. This video viewing, along with EAT, must be repeated during annual recurrent training.

FirstLine has implemented other training programs, all with ultimate TSA approval and consistent with our shared mission objectives. These include a process using training objects, training conducted by mobile screener training teams, and enhanced remedial and return to duty programs that further support the operational quality and effectiveness of our workforce. Finally, our screening supervisors, who are initially selected through our specially developed leadership selection process, go through additional recurrent and advanced training in leadership, ethics and coaching.

FirstLine personnel also conduct internal audits of all company programs and processes, in both operational and administrative areas, to evaluate processes and ensure continuous improvement. Customer surveys at gate checkpoints are solicited as well. We have even developed an additional evaluation program, which we call the Mystery Shopper Program, that uses employees from throughout the SMS Holdings Corporation family of companies to covertly evaluate FirstLine's screeners' performance as they pass through KCI checkpoints.

For all of these enhancements and innovations, TSA approval has been required. In key instances, these results derived from significant collaboration we initiated with TSA, as represented by the local KCI Federal Security Director. One particularly collaborative effort has been our locally developed 21 point metrics measurement system, which endeavors to provide an objective performance measurement for KCI screening operations in ten critical success factors and eleven other supporting factors. Our performance, as measured against these 21 factors, can now be evaluated more objectively.

In our role as a PP5 program contractor, we continue to believe that our ability to bring private sector workforce management enhances and improves the screening product that our employees deliver at KCI everyday.

## **Future Opportunities**

The success that we have experienced in charting new waters with TSA through private sector leadership in the PP5 program offers Congress, TSA, and airport operators the ability to more proactively evaluate the positive role of private screening contractors in future screening partnerships. Specific adjustments that FirstLine recommends for immediate incorporation into the PP5 test pilot, and that would in no way compromise the high security standards that must be uniformly maintained, include:



- Increased local decision making ability -- both at the FSD and contractor level -- regarding items such as local control and implementation of assessment and training. Both assessment and training are critical to maintaining staff levels and to controlling overtime. FirstLine has recently responded to a TSA Request for Proposal (RFP) to provide local assessment of screener applicants. Our response to the RFP builds on our experiences in order to achieve higher success rates and employment results.
- ➤ Local TSA and/or contractor ability to respond to passenger traffic requirements.
- Adoption of a process for peer-to-peer discussion of security challenges between TSA and the contractor partners.
- Flexibility for TSA and PP5 contractor to initiate training initiatives at the local level. While this has improved over the last several months, TSA approvals for such initiatives can take well over six months.
- Development of permanent, objective benchmarks for comparing the PP5 approach in meeting required mission standards to the overall federal screening program. Presumably, the BearingPoint study could provide a basis on which to build for this process.
- ➤ The timely sharing of pertinent, local KCI data gathered by TSA, such as Performance Management Information System (PMIS) and Threat Image Projection System (TIPS) data in usable formats to help us with our internal quality controls and evaluations.
- A broader commitment to the public-private partnership in order to inculcate best practices and enhance cost efficiency without compromising the mission at hand. Contractors should be allowed to more appropriately leverage private sector strengths, while government regulates and enforces safety standards and quality.

\* \* \*

Mr. Chairman, our PP5 experience has convinced us that the private sector has much to offer TSA in our post-9/11 model and approach to passenger and baggage screening. With continued, appropriate modifications to the PP5 program, these contributions could be even more easily identified and measured in the future.

On behalf of FirstLine and our employees, we are committed to ensuring that our work for the traveling public at KCI and partnership with TSA continues to enhance the security of our airline passenger system. FirstLine is available to provide any additional information the Committee may request.

## COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE Witness Disclosure Requirement - "Truth in Testimony" Required by House Rule XI, Clause 2(g)

1. Name:	John DeMell	2. Address: 3635	O Curtis Blvd	l <b>.</b>	
3. Phone l	Number:		e 490 lake, OH 440	95	
	440.306.2225	545			
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## **Tuition Assistance Program**

any of us know FirstLine team member Richard Adams. Not only is Richard a hard working screener, but he's also a hard working student. Richard is working full time for FirstLine, while taking 18 hours an going to classes 4 days a week. He's taking advantage of FirstLine'sTuition Assistance Program to help fund the cost of furthering his education. "I am working toward a degree in Criminal Justice Administration at Park University in Parkville, Missouri," Richard said. "The FirstLine program is great. I really appreciate the help in funding my education and encourage everyone to take advantage of this opportunity." The Tuition Assistance Program is available to all qualified employees and we encourage you to participate.



## **FirstLine Holiday Perfect Attendance** Recognized

roviding a high level of security during holiday traffic periods is of the utmost importance and a huge challenge to the nation's transportation system. There are no exceptions to this and certainly not at Kansas City International, Our FirstLine team rose to the occasion and we were

very pleased that over 175 staff members scored with perfect attendance during the peak period of November 15 through January 15. We also had a number of you who volunteered for authorized overtime shifts. All qualified for the big Holiday Raffle and a chance to win some great prizes like color televisions, DVD players and gift certificates. We appreciate the commitment of so many of our staff members and congratulate all of the winners.

#### Winners

Robert Hemry

Dale Jones

•Joshua Milbourn

- David N. Townsend
- Joseph M. Jackson
- John Cearley
- Alexander Roddie
- Galen Welleslev
- Diana Hatzenbuehler
- •Kirk Priebe
- Lecil Andrews
- Clarance Taylor
- Stephen Samborski Mark Huismann
- Michael Lvnn Bradley Ellis
- Billie Buchanon Brvan Durant

## **Congratulations to FirstLine Employees of the Month**

The Employee of the Month Award recognizes team members for their exceptional leadership and service. You nominated your coworkers based on their exceptional job performance, outstanding customer service, excellent team work and reliability and dependability. Each award recipient receives a \$50.00 gift certificate, lapel pin and certificate of recognition. Thanks and congratulations to all of our Employees of the Month.

February 2004					
Terminal A	Terminal B	Terminal C			
James Martin William Tucker	Kimberly Anaya Debra Anderson Melvin Rushing	Orville Geister John Watkins			
James Boyle Mable Robertson	January 2004 Marlena Freeman John McKay Josh Milbourn	Mike Erdmann Kathy Harvey Judy Munger			
Everett Bush Tim Dunagan Cherrie Wood	December 2003  Robert Mathis David Powell Linda Ryan	Orville Geister Mike Morris Vicki Throckmorton			

## **Greater Kansas City Heart Walk**

Many of you have expressed interest in participating in the 11th annual American Heart Association Heart Walk on June 12, 2004. We should encourage our coworkers to help support this very worthwhile effort funding research and education on heart disease. Last fall, the staff at our Corporate Support Center in Nashville raised over \$5,000 for the cause. Anyone interested in participating in this event please contact Janie Deppen in the HR Department.

Uncompromising Safety and Security, Customer Service Excellence and Integrity and Respect in Everything We Do.

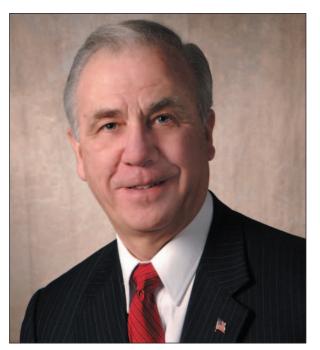


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**Message from** John DeMell, President

## **Welcome to the Newest Members of Our Team**

We are proud to welcome our newest teammates to FirstLine.
We are One Team with One Mission: Protecting the Nation's Transportation Systems to ensure freedom of movement for people and commerce. You are joining an outstanding group of men and women, dedicated to ensuring the safety of the traveling public. We are excited to be joined by such a high caliber class of recruits. You may be aware that over 2,200 people from Kansas, Missouri and surrounding states participated in our recent job fair and applied for a position with FirstLine, Sarah Collier, FirstLine's Senior Human Resources Manager was quite impressed with the turnout and the quality of the applicants. "Of this recruiting class, 160 were selected to join our team, and I can tell you that these individuals are truly the cream of the crop." Congratulations again and welcome aboard.

reetings to each of you. I would like to take a moment to share with you how Strongly the FirstLine management team and I feel about the tremendous job you are doing. It is no secret that our screening force at Kansas City International is outperforming our greatest expectations. Your dedication to our mission, your polite, courteous treatment of airline passengers and your professional approach to your responsibility are obvious to one and all. I thank you. As you know, you are part of a special "pilot" program to gauge the effectiveness of a public/private partnership in pre-board passenger and baggage screening. Congress created this program in the aftermath of the terrorist attacks of September 11, 2001. Many of you were here, on the front lines in November of 2002 when FirstLine took up its post under the direction of the Transportation Security Administration and began its important role of ensuring the security of the traveling public flying through Kansas City International. Many of you have since joined our team and we are equally grateful for your commitment to our mission.

Inside this edition of **One Team, One Mission**, we address several issues that you have expressed as being important to our team. We are working diligently to enhance our workplace and sincerely appreciate your input. You have my personal commitment that we will always be open to recommendations from our valued team members.

Thank you again for your hard work, dedication and contribution to the security of our nation's traveling public.





# **Employee Advisory Committee Sets Eyes on Future**

We are fortunate to have such a capable and willing group of representatives serving on our Employee Advisory Committee.

Early last year, you selected this outstanding group to sit on the council to serve as your voice on issues important to you. The EAC meets every 2 weeks, spending several hours each session focusing on issues brought to their attention through their own experience and your suggestions. Torrez Buchanan, Stephan Busch, James Campbell, Clarence Garren, Hilaria Grigsby, James Rogers, and Ronald Shryock are performing a great service for our team. General Manager Jerry Marshall is impressed with the committee members. "This is a very serious, hard working group. The high level of input and positive approach of all

involved has been helpful and will no doubt be of great benefit to our operation in the years ahead." Let's all express our appreciation to our EAC members.

"...our constant goal has been to ensure that our job is accomplished to the exacting standards required of every checkpoint and baggage screening operation around the Nation."

FirstLine President John DeMell testifying in front of the U.S. House of Representatives Committee on Government Reform



very serious, hard working group. The high serious and positive approach of all



"The most critical line of defense for civil aviation passenger operations is preboard screening."

Alexis Smollok, Civil Aviation Security Programs Coordinator Federal Bureau of Investigation

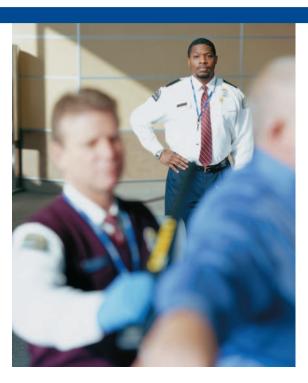
## New Scheduling System On the Way

We are pleased to announce that FirstLine is in the process of deploying a highly sophisticated new scheduling system. We have partnered with Ascent Technologies and are in the early stages of design and implementation. Ascent is a leader in scheduling technologies with a strong background in the airport environment and a willingness to work with FirstLine to develop the right program to meet our needs in Kansas City. We have great expectations for this new scheduling system and its ability to enhance our operation. Our objective is to achieve the most efficient shift scheduling with the maximum possible level of flexibility for our employees out on the front line. Newly hired Project Manager Darin Sholar expects FirstLine and Ascent to be working very closely together to fully implement the new program. "We are underway with the project and expect that integration of the new system will begin in June or July. We will be running dual systems during the test phase and expect to be fully operational with the new system in the 3rd quarter." said Darin. "We want to do everything we can to give our hard working staff more flexibility when they bid their schedules." Stay tuned for more news about this exciting project.



## **Initiatives for the Workplace**

Attendance Policy: We're listening. Members of the Employee Advisory Committee and FirstLine management are working diligently on a new attendance policy. The EAC has spent the better part of their last 3 meetings discussing this and our management teams in Kansas City, Cleveland and Nashville have been focused on this subject as well.



"All of us.... are tasked with a single, vital mission: to secure the American homeland and to protect the American people. There is no duty more important."

President George W. Bush on the one-year anniversary of the Department of Homeland Security.

We've heard your concerns and improvements are on the way. We expect a new attendance policy to be in place by May 1. Stay tuned.

Staffing: We're all glad to see our newest screening class make it through assessment and training. Replenishing our ranks is important, as we'd all prefer less overtime and more flexibility in scheduling. Key to keeping our staffing levels high is the ability to "assess" new recruits. As you are aware, this recent assessment was only the second time since initially taking up our post that we have been provided such. In recent weeks, the Transportation Security Administration has asked FirstLine to submit a proposal for taking over this process locally. We are currently working with our strategic partners to design and develop a superior assessment process which will meet and exceed our needs in hiring qualified personnel and keeping staffing levels high.